

EDIC MEETING
With Renaissance Zone Authority

Tuesday, January 25, 2022 – 1:00 p.m.
City Commission Chambers, Fargo City Hall

AGENDA

- 1. Approve EDIC Meeting Minutes of 11/23/2021**
 - November 23, 2021 [Page 1-2]
- 2. Presentation on 401 3rd Avenue North [Page 3-4]**
 - Beyond Shelter
- 3. Presentation on 401 3rd Avenue North [Page 5]**
 - MBA Development
- 4. Public Comments**
- 5. Discussion on Proposals**

TAX EXEMPT REVIEW COMMITTEE
Fargo, North Dakota

Regular Meeting

Tuesday, November 23, 2021

The November meeting of the Tax Exempt Review Committee of the City of Fargo, North Dakota was held in the City Commission Room at City Hall at 1:00 p.m., Tuesday, November 23, 2021.

The committee members present or absent are:

Present: Dave Piepkorn, Mayor Tim Mahoney, Bruce Grubb, John Cosgriff, Jim Buus, Jessica Ebeling Kent Costin, Erik Johnson, Jim Gilmour, Jackie Gapp, Joe Raso, Robert Wilson

Absent: Levi Bachmeier, Michael Splonskowski

Commissioner Piepkorn called the meeting to order at 1:00 p.m.

A motion was made by Kent Costin to approve the minutes from October 26, 2021. Jim Buus seconded, motion carries.

Woodrow PILOT Transfer

- Located at 301/315 University Dr. N and 1222 4th Ave N
- Graystoke Capital Woodrow is requesting to transfer the PILOT tax payment schedule allowed under section 40-57 .1.06 of the ND Century Code: "option to make payments in lieu of taxes for the remainder of the exemption or payments in lieu of taxes period."

A motion was made by Bruce Grubb to approve, Jim Buus seconded, motion carries

Renewal Plan for the K-Mart Site

- Located at University Dr. S
- K-Mart will be coming down starting December.
- Austin from Enclave Development will be developing the site.
- It will improve University Dr. and it will show what redevelopment should look like. It will also allow more retail for University Dr.
- Question by Dave Piepkorn: Will the current Burger King be going away?
Burger King is on a lease and....
-
- TIF on existing property was discussed. Agreed that this is the only way
- The length of the TIF would be 15 years (max). \$1.4 million to declare and \$50k for administration.
- Question by Jim Buus: What is unique that this project would be qualified as a TIF?
 - Brown Field- would have to remove many things to make it a Green Field site.
- Kent commented that this seems like our policies are working.
- Jim agreed and stated that this does meet new and old policies.

- Conclusion, this project would not be feasible without the TIF.
- Made for 70's big box- 6 million dollar property (\$12 a ft.)

Mayor Tim Mahoney moved to approve, John Cosgriff seconded. Motion carries.

Review of Proposals for Downtown City Properties

- Several people are asking for a TIF and some are asking for Renaissance
- 7 Proposals
 - 4th & 3rd Ave (401 3rd Ave)
 - 2 proposals
 - Park East Apartments
 - 3 proposals
 - School District Warehouse
 - 3 proposals
- Jim Gilmour would like to set up a meeting with Renaissance and City of Fargo.

Dave Piepkorn suggested to send out a survey with groups to set up meeting. Mayor Tim Mahoney agree to send out a link to look at proposals.

The meeting was adjourned at 1:28 pm.

1 2nd Street South			
Criteria	Beyond Shelter	Eagle Ridge	EPIC
Consistent with Downtown Plan			
Good design and quality			
Large amount of investment	\$ 12,710,000	\$ 35,000,000	\$ 23,000,000
Purchase Price	\$ 650,005	\$ 1,500,000	\$ 1,188,000
Developer Ability	Yes	Yes	Yes
Financial Feasibility	Major Financing Gaps		
Implementation Timeline	2023-2024	2022-2023	2022-2023
Developer Experience	Yes	Yes	Yes

1 2nd Street South						
	Beyond Shelter	Eagle Ridge	EPIC			
Square Feet	69,300	162,600	90,000			
Housing Units	51	57 (condos)	67			
Commercial/Office	9,800	21,600	15,000			
Parking	90	124	128			
Investment	\$ 16,360,005	\$ 35,000,000	\$ 23,000,000			
<table><tr><td><u>Incentives</u> 5 Year RZ Approval 20 Year PILOT \$400,000 CDBG/HOME \$300,000 TIF</td><td><u>Incentives</u> 5 Year RZ Approval</td><td><u>Incentives</u> 5 Year RZ Approval</td></tr></table>				<u>Incentives</u> 5 Year RZ Approval 20 Year PILOT \$400,000 CDBG/HOME \$300,000 TIF	<u>Incentives</u> 5 Year RZ Approval	<u>Incentives</u> 5 Year RZ Approval
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Future Annual Taxes	\$ 20,000	\$ 392,000	\$ 257,600			
<table><tr><td><u>Financing Gaps</u> \$7.3 Million LIHTC \$1 million - ND HOME \$750,000 FHLB \$1 million - ND HFA \$635,000 - NM Credits</td></tr></table>				<u>Financing Gaps</u> \$7.3 Million LIHTC \$1 million - ND HOME \$750,000 FHLB \$1 million - ND HFA \$635,000 - NM Credits		
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419 3rd Street North				
Criteria	Authentic Housing	Kilbourne Group #1	Kilbourne Group #2	Kilbourne Group #3
Consistent with Downtown Plan				
Good design and quality				
Large amount of investment	\$ 51,000,000	\$ 15,000,000	\$ 25,000,000	\$ 67,000,000
Purchase Price	tbd	\$ 162,964	\$ 162,964	\$ 162,964
Developer Ability	tbd	Yes	Yes	Yes
Financial Feasibility	Lack of Capital			
Implementation Timeline	2022-2024	2022-2024	2022-2024	2022-2025
Developer Experience	Some	Yes	Yes	Yes

419 3rd Street North				
	Authentic Housing	Kilbourne #1	Kilbourne #2	Kilbourne #3
Square Feet	178,169	72,000	104,000	292,000
Housing Units	181	74	114	310
Commercial/Office	16,500	-	-	-
Parking	10	107	152	397
Investment	\$ 51,000,000	\$ 15,000,000	\$ 25,000,000	\$ 67,000,000
	<u>Incentives</u> \$2 million up front Free transit Unknown land price Car share incentives	<u>Incentives</u> 5 Year RZ Approval 1 Year TIF Note	<u>Incentives</u> 5 Year RZ Approval 6 Year TIF Note	<u>Incentives</u> 5 Year RZ Approval 10 Year TIF Note
Future Annual Taxes	\$ 336,000	\$ 168,000	\$ 280,000	\$ 648,000

401 3rd Avenue North		
<u>Criteria</u>	Lloyd/Green Companies	MBA Development
Consistent with Downtown Plan		
Good design and quality		
Large amount of investment	\$ 38,500,000	\$ 13,000,000
Purchase Price	\$ 500,000	\$ 500,000
Developer Ability	Yes	Yes
Financial Feasibility		
Implementation Timeline	2022-2024	2022-2023
Developer Experience	Yes	Yes

401 3rd Avenue North				
	Lloyd/Green Companies	MBA Development		
Square Feet	200,000	102,313		
Housing Units	108	68		
Commercial/Office	115 hotel rooms	-		
Parking	167	70		
Investment	\$ 38,500,000	\$ 13,000,000		
<table><tr><td><u>Incentives</u> \$4.5 million TIF (13 Year TIF Note)</td><td><u>Incentives</u> 5 Year RZ Approval 5 Year TIF Note</td></tr></table>			<u>Incentives</u> \$4.5 million TIF (13 Year TIF Note)	<u>Incentives</u> 5 Year RZ Approval 5 Year TIF Note
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Future Annual Taxes	\$ 431,200	\$ 145,600		